



*United States Attorney  
Southern District of New York*

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**U.S. SENTENCES SAMET GROUP LEADER TO 27 YEARS  
IN PRISON FOR RACKETEERING AND FRAUD IN KIRYAS JOEL**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that MORDECHAI SAMET was sentenced to 27 years and 3 months in prison, and his confederate CHAIM HOLLENDER was sentenced to 12 years and 7 months in prison today in White Plains federal court on their convictions for racketeering, money laundering and related offenses stemming from a massive fraud scheme they ran with several co-conspirators in the Orange County community of Kiryas Joel.

They were convicted by a jury in December 2002 after an eight-week trial in White Plains federal court before United States District Judge COLLEEN McMAHON. SAMET and HOLLENDER were both convicted of racketeering, money laundering conspiracy, mail fraud, wire fraud and bank fraud. In addition, SAMET was convicted of filing, and conspiring to file, false claims against the United States. In total, SAMET was convicted on 33 counts, and HOLLENDER was convicted on 17 counts.

In imposing the sentences, Judge MCMAHON said, "This case is extraordinary because of the breadth and scope of the frauds committed, the period of time over which they were committed and the chutzpah of the people committing them."

She added, "Mordechai Samet lived a life of unremitting fraud. For many years Mordechai Samet's life has been completely dedicated to the pursuit of crime. He defines the word 'racketeer.'"

SAMET and HOLLENDER were charged with operating what the Indictment described as the "Samet Group" - a racketeering organization which used a wide variety of fictitious identities to commit a vast array of frauds, netting millions of dollars in profits. The Samet Group defrauded innocent consumers through a mass-mailing scheme based on fictitious monthly lotteries and phony charities.

The trial evidence demonstrated that the enterprise's members created fictional personal and business identities in order to carry out a fraudulent leasing scheme in which the defendants, pretending to be business vendors, obtained funds, supposedly for business equipment, from leasing companies. They defrauded banks through millions of dollars' worth of counterfeit and otherwise fraudulent checks. They defrauded life insurance companies by making false death claims, and defrauded federal and state tax authorities by seeking millions of fraudulent tax refunds for fictitious people. Additionally, they defrauded credit card companies by fraudulently disputing charges, claiming

goods or services had not been received, when in reality the charges were for investments in a pyramid scheme that collapsed. They laundered the proceeds in the United States and overseas (primarily in the Middle East), concealing their activities and funding additional frauds.

Judge McMAHON found that SAMET, HOLLENDER and their co-racketeers obtained more than \$ 4million in ill-gotten gains. She directed that SAMET forfeit \$4,065,052 to the United States and HOLLENDER \$1,947,513, and ordered that they make restitution in the amount of \$2,285,639.

Aside from SAMET and HOLLENDER, who were sentenced today, 11 other defendants pled guilty to various charges as a result of the investigation, and were sentenced to terms ranging from 3 months' probation to 51 months in prison.

Mr. COMEY praised the superb investigative work of the Federal Bureau of Investigation, the United States Postal Service, the Internal Revenue Service, the Social Security Administration, the Rockland County District Attorney's Office, the Orange County District Attorney's Office, the New York State Police, Monroe Barracks, and the New York State Tax Department of Taxation and Finance, Criminal Investigations.

Assistant United States Attorneys MARIA A. BARTON, MARGERY FEINZIG and CATHY SEIBEL are in charge of the

prosecution.

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